MR. C. V. CHANDRASEKHARAN (*Ag. Director of Public Instruction*): Sir, may I make an explanation in reply to the statement ?

PRESIDENT: Yes.

MR. C. V. CHANDRASEKHARAN (*Ag. Director of Public Instruction*): All that I asked for in my speech was the restoration of the three *posts*.

MR. K. A. NARAYANA PILLAI (*Todupuzha* cum *Devicotam*): No, Sir. It was definitely stated as three clerks.

MR. C. V. CHANDRASEKHARAN (*Ag. Director of Public Instruction*): I cannot say without notice who were the men that were sent away and who have come back. I do not know whether the member is in order in making this statement. He has sprung it in the Assembly and on myself without giving me sufficient time to furnish the information. I can assure the House that the three clerks who have been restored are men who have the best acting claims. Whether they were clerks who were sent away in 1110 or not I cannot say on the spur of the moment. In the speech I made, which was referred to, I asked for the restoration of the posts. I did not give a guarantee to Mr. K. A. Narayana Pillai that I would reappoint the same three men.

MR. K. A. NARAYANA PILLAI (*Todupuzha* cum *Devicolam*): Sir, I rise to a point of order. I never said that he assured me. What I said was that he assured the House.

MR. C. V. CHANDRASEKHARAN (*Ag. Director of Public Instruction*): When I assured the House it follows that I assured Mr. K A. Narayana Pillai as an honorable member of the House. It was quite clear that the work in the office was suffering a great deal for want of three hands. I wanted to restore those posts. If more facts about those clerks who were sent away were required, I would have given them to Mr. K. A. Narayana Pillai, if he had asked for them in the proper way.

PRESIDENT: I do not think the Director had the intention of making anything like a deliberate false statement. Restoration of the clerks may mean the restoration of the same clerks or the restoration of the posts of the three clerks. It may mean both. However, the Director assures that he had no intention of misleading or misguiding the House.

We will now resume discussion on the Bill.

THE TRAVANCORE AGRICULTURISTS' RELIEF BILL.—(*contd.*)

Clause 3—(*contd*)

MR. S. J. NAIR (*Nedumangad*): Sir, I beg to move the following amendment:—

> "*In Clause 3, sub-clause (1) (b), delete the words "Our Government shall define" and substitute the words "The territorial jurisdiction of a District Munsiff's Court shall be"*.

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[Mr. S. J. Nair.]

When this amendment is accepted, Clause 3, sub-clause (1) (*b*) would read like this :—

"The territorial jurisdiction of a District Munsiff's Court shall be the local limits of the area in which a Board shall have jurisdiction".

The most beneficient feature in the Bill, if at all there is anything —

PRESIDENT : I am afraid somehow or other you read the clause as amended. But we cannot read it like that. Your amendment is :

"In clause 3, sub clause, (1) (*b*), delete the words "Our Government shall define" and substitute the words "The territorial jurisdiction of a District Munsiff's Court shall be".

You will begin the sub-clause with the words "The territorial jurisdiction of a District Munsiff's Court shall be" what ?

MR. S. J. NAIR (*Nedumangad*) : Sir, please add the rest of the clause.

PRESIDENT : How to continue the clause ?

MR. S. J. NAIR (*Nedumangad*) : ".....the local limits of the area in which a board shall have jurisdiction."

PRESIDENT : But your amendment does not mean that.

MR. S. J. NAIR (*Nedumangad*) : I beg permission to change it like that. I am not sure whether it is a mistake of mine or made at the time of printing. I cannot say that now definitely.

PRESIDENT : However, I have to see that the amendment fits in. You want to eliminate "Our Government shall define" and for those words to insert the words "The territorial jurisdiction of a District Munsiff's court shall be." Then it will read "The territorial jurisdiction of a District Munsiff's Court shall be the local limits of the area in which a board shall have jurisdiction."

MR. S. J. NAIR (*Nedumangad*) ; Anything, Sir.

PRESIDENT : That is how it reads.

MR. S. J. NAIR (*Nedumangad*) : The amendment is correct by itself.

PRESIDENT ; For the information of the Hon'ble member, I may point out from records that it was not the printer's devil.

MR. S. J. NAIR (*Nedumangad*) : It is nobody's mistake. It is correct by itself.

PRESIDENT : What is the amendment ? So far as your amendment goes it does not seem to fit in.

MR. S. J. NAIR (*Nedumangad*) : If my amendment is accepted —

PRESIDENT ; Which amendment am I to accept ?

MR. S J. NAIR (*Nedumangad*) : If my amendment is accepted, Clause 3, sub-clause (1) (*b*) would read like this :—

"The territorial jurisdiction of a District Munsiff's Court shall be the local limits of the area in which a board shall have jurisdiction."

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MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Sir, I rise to a point of order. In this Bill we are trying to adjust the territorial jurisdiction of the boards. But this amendment wants to adjust the jurisdiction of the District Munsiffs' Courts. That is beyond the scope of the Bill.

PRESIDENT: I am just reminded of a Bill which was introduced in the Madras Legislative Council in which it was said "The Chancellor of the University shall be the Governor of Madras" instead of "The Governor of Madras shall be the Chancellor of the University". (*Laughter*)

MR. S. J. NAIR (*Nedumangad*): The learned Law Member has not exactly understood the meaning of my amendment. If he had understood properly —

PRESIDENT: What the Law Member points out is that this legislation is intended, so far as it goes, for the purpose of defining the limits of the jurisdiction of the conciliation boards. But the amendment defines the jurisdiction of judicial courts.

MR. S. J. NAIR (*Nedumangad*): It does not mean like that by this amendment. I do not mean to define the jurisdiction of the District Munsiff's Court or the civil courts. What I mean is that in the area that is covered by the District Munsiff's court there shall be a conciliation board also. That is, the territorial jurisdiction of the conciliation board shall cover the territorial jurisdiction of the District Munsiff's Court also. That is all what I want.

PRESIDENT: Yes.

MR. S. J. NAIR (*Nedumangad*): If at all there is any beneficial provision in this piece of legislation, it is about the proposed establishment of debt conciliation boards so that the condition of the agricultural debtors may be ameliorated. For that purpose, in Clause 3 subclause (1) (*a*) Government have empowered the establishment of Debt Conciliation Boards.

PRESIDENT: I am afraid you are now trying to define by this amendment the jurisdiction of District Munsiff's Court.

MR. S. J. NAIR (*Nedumangad*): No, Sir.

PRESIDENT: If your amendment is accepted, the Clause will read thus :—

> "The territorial jurisdiction of a District Munsiff's court shall be the local limits of the area in which a board shall have jurisdiction."

meaning thereby the territorial jurisdiction of the District Munsiff's court by confining that to the limits of the Board's jurisdiction.

MR. S. J. NAIR (*Nedumangad*): I limit the territorial jurisdiction of the conciliation boards.

PRESIDENT: No. If you had done the other way, I could have understood it. The territorial jurisdiction of the board shall be concurrent with the jurisdiction of the District Munsiff's Court. I can understand that. But you are putting it the other way.

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MR. S. J. NAIR (*Nedumangad*): I wanted to retain as far as possible the Law Member's favourite expressions. (*Laughter*).

PRESIDENT: I am not bothered about the Law Member's or your favourite expressions.

MR. S. J. NAIR (*Nedumangad*): The Law Member has stated that he is very jealous of retaining the provision as it has emanated from the Select Committee.

PRESIDENT: Has this House power to define the jurisdiction of a District Munsiff's court in this legislation?

MR. S. J. NAIR (*Nedumangad*): My attempt is to express the unknown in terms of the known. The territorial jurisdiction of a District Munsiff's court is known to all.

PRESIDENT: The amendment should be "Delete sub-clause (1) (*b*) and substitute the following:

> "The area over which a board shall have jurisdiction shall be the same as the territorial jurisdiction of the District Munsiff's court of the locality."

MR. S. J. NAIR (*Nedumangad*): Thank you, Sir. I move that—

> "In Clause 3 (1) (*b*) the words 'Our Government shall define" be deleted and the following be added at the end of the sub-clause :—
> "shall be the territorial jurisdiction of the District Munsiff's Court of the locality."

If this amendment is accepted, the sub-clause would read thus :—

> "The local limits of the area in which a board shall have jurisdiction shall be the same as the territorial jurisdiction of the District Munsiff's Court of the locality."

By accepting Clause 3 (1) (*a*), Government have undertaken to establish debt conciliation boards in the State. But there is no guarantee as to how many boards they would establish, where such boards would be established and what their jurisdiction would be. Sir, there is absolutely no use in having one conciliation board in the Capital of the State. That would mean that agricultural debtors in all corners of the country would be compelled to emigrate to the Capital to have their debts conciliated. The creditors also will have to do the same thing. If this Bill is to serve any useful purpose, we must have boards in all towns where there are Munsiff's Courts; and each one of these boards must have jurisdiction throughout the area covered by the jurisdiction of the Munsiff's Court. If there is a board wherever there is a Munsiff's Court, it will be easy for the parties to get the necessary records from either of these institutions for use in the other. It will also save a lot of expenditure for the debtor as well as the creditor. If, on the other hand, we establish a conciliation board in the Capital of the State alone, for every adjournment, both the creditor and the debtor will have to come all the way to the Capital. That itself will cost about Rs. 10 for each adjournment; and if witnesses also are cited or brought over, the expenditure would come to not less than Rs. 15 for each adjournment. Sir, we are all aware of the recent circular of the High Court under which, if a debtor pays even a small instalment of the debt and prays for time, the court sets him free and gives him

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time. If, for example, a man owes Rs. 50, by merely depositing Rs. 5 in the court, he can get time. On the other hand, as I have already pointed out, if conciliation boards are not established in all the taluk centres in the State, mere travelling expenses will come to Rs. 10 or 15 for each adjournment ; and the creditor also will have to incur this unnecessary expenditure in going over to the central place where the conciliation board is established.

Further, if these boards are not established throughout the State and are established only in central places like the Division Headquarters, these boards will have too much work and will be even slower in their disposals than courts of law in the matter of disposal of cases, so that we will only be prolonging the agony of the debtor. The creditor also will not be in a position to get what he can in time.

Therefore, I submit that conciliation boards must be established in all places where there are Munsiff's Courts with jurisdiction identical with those of the Munsiff's Courts.

The amendment fell through for want of seconding.

MR. T. P. VELAYUDHAN PILLAI (*Tiruvalla III*): May I speak in English, Sir ?

PRESIDENT: Then, are you going to speak in French ? This is not the League of Nations. (*Laughter.*)

MR. T. P. VELAYUDHAN PILLAI (*Tiruvalla III*): Usually I speak in Malayalam.

PRESIDENT: Even long ago I have refused you permission to speak in Malayalam, because I found that you were a good English scholar. (*Laughter.*)

MR. T. P. VELAYUDHAN PILLAI (*Tiruvalla III*): I move the following amendment :

"*In clause 3, sub-clause* (1) (b), *add the following proviso* :

"*Provided that the jurisdiction of the boards established under Section 2, Clause* (*1*) (a) *shall be so defined and adjusted as to include the whole State.*"

I submit, Sir, that this amendment involves a sound principle. The main relief proposed to be given by this Bill is the establishment of conciliation boards. The Bill, as it is, vests the Government with the power of establishing the Boards and defining the local limits of jurisdiction of these boards. I daresay every one will agree that no agricultural debtor should be left without relief and that every one should be enabled to try to secure the benefits that may arise out of conciliation proceedings before these conciliation boards. It is certainly unjust and inequitable to deprive any agricultural debtor in the land of the benefits of conciliation.

Sir, according to the provisions now embodied in the Bill, Government may establish conciliation boards in certain centres only, thus leaving other parts of the State without them. I have no objection to leave it to the absolute discretion of Government to fix the total number of boards to be established and also to decide the places where

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[Mr. T. P. Velayudhan Pillai.]

they are to be established. All that I am now suggesting is that every part of the country must come within the jurisdiction of one or other of these conciliation boards that are to be established. Also, Government must so locate these boards and so allocate their jurisdiction as to afford maximum convenience to all the agricultural debtors in the country to get the benefit of these boards. The Bill must contain a specific provision making it obligatory on the part of Government to establish boards and to define the local limits of their jurisdiction in such a manner and in such number that no agricultural debtor, wherever resident, will go without the benefit of these boards.

MR. S. J. NAIR (*Nedumangad*): Will the member be satisfied if one board is established having jurisdiction over the whole State?

PRESIDENT: All that he says is that, whatever be the number of these boards, their jurisdiction must embrace the whole State.

MR. T. P. VELAYUDHAN PILLAI (*Tiruvalla III*): Yes, Sir. I therefore commend this amendment for the unanimous acceptance of the House.

MR. EDAVANATT S. PADMANABHA MENON (*Shertala I*): Sir, I wish to second the amendment. As was pointed out by the mover of the amendment, the most substantial relief that is provided for the agricultural debtor is the benefit that he is to get from the conciliation boards. It is therefore only fair that all the agriculturists in the country are allowed to have recourse to these boards. It is the duty of the Government to afford all facilities to the agriculturist in the country to have his debts conciliated by these boards. It must not be the attitude of the Government that it would be enough if one or two boards are established in important centres just as an experimental measure. That would mean that the bulk of the agricultural debtors, especially those in rural parts, are to be denied the benefit of these boards. I therefore hope that the House will accept this amendment.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): I oppose the amendment. It presupposes that Government will establish, all at once, the number of boards necessary to give this facility of conciliation to all the agricultural debtors in all parts of the country. If the Government do not do that and if they establish only one or two boards, just as an experimental measure, no purpose would be served by such a board or boards having jurisdiction throughout the whole State. Such a state of affairs will work great hardship. Once the discretion is vested with the Government for establishing as many boards as they like in places which they choose, it is better to leave it to them also to fix the jurisdiction of the boards. Personally, I am also of the opinion that all at once these boards should not be established everywhere. I do not think that has been done in any other place. It is better that, as an experiment, one or more boards are first established in favourable localities, so that, if they are found to work satisfactorily, more boards may be established in other places also.

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I have also to say the choice of persons is a matter of paramount importance. In every country and in every place, the correct type of persons to do this sort of work will be limited. If Government select a limited number of areas and see that the conciliation boards work satisfactorily in such areas, that will create confidence in the people to go to the Board and come to an amicable settlement. The officers also gain experience by the time, so that these boards can be transplanted in other places.

There is also another and a paramount question that has to be considered—the question of cost. I think that this measure can be worked out only as an experiment and certain areas alone should be chosen first.

MR. POTTAYIL S. KRISHNA PANICKAR (*Shertala II*): How long is the experiment to go on?

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): As long as it may be necessary.

MR. POTTAYIL S. KRISHNA PANICKAR (*Shertala II*): And what have the agriculturists in the other areas to do in the meanwhile?

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): They have to pay their debts or make such other adjustments as they are doing at present.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Sir, I oppose the amendment. I agree with all that Mr. Kunjukrishna Pillai has said. I fully sympathise with the object of the amendment of Mr. Velayudhan Pillai. He wants that the conciliation boards should be brought within the reach of every agriculturist debtor. I can assure him that Government will do it if that be possible, that is, if it be consistent with their finance and with other considerations. While we are at this question I must say that the board should dispose of the applications expeditiously both in the interest of the creditor and in the interest of the debtor. The debtor wants relief immediately and so the matter must be expedited. It should be expedited in the interest on the creditor also, because, so long as conciliation proceedings are pending, a suit will not be allowed to be filed in court. If an application is presented to the Board and that is not allowed to be disposed of expeditiously, and is allowed to drag on for two or three years before the board and then again for another two or three years in the Court, what will be the effect of it? As a matter of fact, I should welcome any device that the House could suggest to make the board function expeditiously and come to a conclusion expeditiously. If on this point the House agrees with me, it must also be conceded that the jurisdiction of a board should be so compact that it may be possible for the board to dispose of the applications expeditiously. It seems to me that that will be frustrated if it is provided that the territorial jurisdiction of the whole State should be given to one or two boards. If the amendment is accepted, we must make the whole State come within the jurisdiction of a Board or two or a few boards. It will then be making the work of the board worse than useless. I trust that the House will not accept such an amendment.

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SADASYA TILAKAN T. K. VELU PILLAI (*Trivandrum—Urban*): I disagree with what the Law Member and Mr. Kunjukrishna Pillai have said on this subject. In fact there seems to be a considerable misunderstanding of the position. So far as I am able to see, Mr. Velayudhan Pillai's amendment does not say that a large discretion should not be vested in the Government. He is perfectly agreeable to allow the Government to decide the particular number of boards which may be deemed necessary for the whole State. According to him it is not a question of expediency so much as a question of principle. The principle which he stands for, as I understand it, is this. The agriculturists, and the public generally, have been asking for legislation on this important subject and the Bill has been placed before this Assembly. The whole country is looking forward, straining its eyes to catch a glimpse of the solution. When such is the condition, when people of Alleppey or Trivandrum, to take two instances, or the people of Nedumangad, to satisfy my friend Mr. S. J. Nair, are getting the benefit of a board, why should not the people of Alengad and Agastisvaram also have the same benefit? To quote a parallel, Sir, There is a District Magistrate in Trivandrum and another District Magistrate in Quilon. If a man lives on the borders between Chirayinkil and Kottarakara and he has a case to be put before the District Magistrate he can do it. If he is in Chirayinkil, he can go to the Trivandrum District Magistrate. If, on the other hand, he is in Kottarakara he can go to the Quilon District Magistrate. In the same way every subject of His Highness the Maha Raja must have the right to secure such benefit as he can by submitting to the Board for conciliation. But to treat the subjects in a different fashion and to vest the Government with power in this matter is not fair to the traditions of legislation in the State. Sir, I fully understand the position that the Government may not be able to set up one hundred or two hundred boards. That is a matter for the Government to decide. It has been said that a single board with jurisdiction throughout the State would be choaked with work. I do not say that there should be one board and one only. Certainly we want more than one board. When people ask for bread, do not give them a stone.

PRESIDENT: You will be giving them nothing, not even the stone

SADASYA TILAKAN T. K. VELU PILLAI (*Trivandrum—Urban*): A stone will be useless for him.

PRESIDENT: If no boards are established, then there is no question of giving stones.

SADASYA TILAKAN T. K. VELU PILLAI (*Trivandrum—Urban*): Giving a stone means giving something which the man does not want. That is the interpretation given to it and the interpretation that I will place on it. Giving a law which is not to his benefit is giving a stone to him. Hence I said it is giving a stone to him. My submission is that the amendment is a very reasonable one and I appeal to the House to make it possible for a man to get such benefit as he can from the Board.

The amendment was put to the vote of the House and declared lost.

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MR. T. P. VELAYUDHAN PILLAI (*Tiruvalla III*): I demand a poll. A poll was accordingly taken with the following result.

AYES—40.

1	Mr. K. C. Abraham	23	Mr. P. K. Thomas
2	,, E. V. Krishna Pillai	24	,, S. Thiraviam Nadar
3	,, N. Abdur Rahiman Sahib	25	,, N. E. Varughese
4	,, T. K. Alexander	26	,, Puthupalli S. Krishna Pillai
5	,, V. T. Chacko	25	,, A. S. Damodaran Asan
6	Rao Sahib Ullur S. Paramesvara Aiyar	28	,, Pacode A. Narayana Pillai
7	Mr. S. J. Nair	29	,, N. K. Krishna Pillai
8	,, Sadasya Tilakan T. K. Velu Pillai	30	,, A. Easwara Pillai (*Kalkulam II*)
9	Srimati T. Narayani Amma	31	,, A. Easwara Pillai (*Kottarakara*)
10	Mr. K. R. Elenkath	32	,, R. Sivaraman Nair
11	,, Antony George	33	,, Kainikkara M. Padmanabha Pillai
12	,, J. M. Joseph	34	,, Edavanatt S. Padmanabha Menon
13	,, Menatheri N. Kesava Panikkar	35	,, Pottayil S. Krishna Panikkar
14	,, P. C. Kuriyan	36	,, K. A. Narayana Pillai
15	,, T. C. Joseph	37	,, M. K. Madhavan Pillai
16	,, T. T. Kesava Sastri	38	,, V. K. Velappan Nair
17	,, K. M. Krishnan	39	,, T. P. Velayudhan Pillai
18	,, T. Krishna Pillai	40	,, G. Nilakantan
19	,, E. K. Kunjuraman		
20	,, K. Mahomed		
21	,, V. Ramakrishna Panikkar		
22	,, R. Raman Pillai		

NOES—23.

1	Mr. M. Mahomed Haneef	13	Mr. K. Kunjukrishna Pillai
4	Miss Hepzibah Gnanasikamony	14	Rao Bahadur Dr. N. Kunjan Pillai
3	Mr. A. Thanu Pillai	15	Mr. T. C. Thommen
4	,, John Whitely Tolson	16	,, K. N. Kesava Pillai
5	,, S. Nilakanta Pillai	17	,, C. V. Chandrasekharan
6	,, S. Chattanatha Karayalar	18	,, G. B. E. Truscott
7	,, T. S. Jayantan Namputiri	19	,, Kayalam Paramesvaran Pillai
8	,, K. P. Krishna Menon	20	,, K. George
9	,, K. Madhavan	21	,, R. Pitchu Aiyangar
10	,, K. C. Karunakaran	22	,, M. Govinda Pillai
11	,, K. Padmanabhan	23	Mrs. M. Poonen Lukose
12	,, R. Sambasiva Aiyar		

NEUTRALS—2.

1	Mr. P. C. Narayanan Bhattatiripad	2	Mr. M. K. Janardana Kammath

The amendment was declared carried, 40 voting for, 28 against, and 2 remaining neutral.

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MR. A. S. DAMODARAN ASAN (*Mavelikara*) : Sir, with your permission, I wish to make one submission to the Chair. With regard to the ruling given yesterday by the Chair over-ruling some of our amendments, I beg to make one submission and pray to the Chair whether that submission also may not be considered and the ruling reconsidered.

PRESIDENT: I think I have once said that the ruling of the Chair is not open to discussion on the floor of the House.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : I am only praying that it may be reconsidered.

PRESIDENT : It can be reconsidered only if it is discussed on the floor of the House. There are other ways to alter its decision if necessary; but the Chair will not allow its discussion on the floor of the House.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): With regard to the amendments that have to be moved in future as well, we want the guidance of the Chair and it is for that purpose that I wanted to make my submission.

PRESIDENT : I maintain that, when the Chair has given a ruling, it is the last word ; and if it is sought to secure an amendment of that ruling, it ought not to be done by moving a formal motion on the floor of the House.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : I did not want the ruling of the Chair to be discussed on the floor of the House.

PRESIDENT : Well, the Chair must be assumed to have taken all facts into consideration before it gives a ruling. But if any fact has escaped the notice of the chair, that should not be brought to the notice of the Chair on the floor of the House.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): Sir, I move—

"In Clause 3, sub-clause (1) (c), add at the end the words "to extend to any amount within Rs. 10,000."

Sir, my object in moving this amendment is that the boards established under this Regulation should have some pecuniary jurisdiction. Now the jurisdiction of a Munsiff extends to Rs. 2,000. The jurisdiction of a District Judge is unlimited. Whether we should have a definite pecuniary jurisdiction for a board or not is a question that has to be considered.

For attaining the object of the Regulation, namely, relief of agricultural indebtedness, the pecuniary jurisdiction of the Board should be limited to Rs. 10,000. It may not help very heavily indebted persons; but such persons are not contemplated to be helped by this Regulation. My submission is that the pecuniary jurisdiction of the Board be fixed at Rs. 10,000.

MR. T. P. VELAYUDHAN PILLAI (*Tiruvalla III*) : This amendment is substantially the same as Amendment No. 43, which was considered by the House. I wish to know from the Chair whether the member is in order

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MR. R. SAMBASIVA AIYAR (*Kunnatnad II*); Sir, I submit that it is not substantially the same. I moved Amendment No. 43 under Clause 2 to amend the definition of 'debtor'. I wanted to say that debtor is a person whose debts do not exceed Rs. 10,000. Here I am speaking of the pecuniary jurisdiction of the Board, which is entirely different. I say that the pecuniary jurisdiction of the Board shall not exceed Rs. 10,000. Therefore, I submit that it is not identically the same as the other.

PRESIDENT: I agree with the contention of the mover of the amendment that the two are not identical. One had reference merely to the definition of debtor, where it was sought to be made a condition for conciliation that the debts shall not exceed Rs. 10,000. Now we have advanced further. We are trying to define the jurisdiction of the Board. If debt in regard to which the Board has to conciliate exceeds Rs. 10,000, the Board has got no jurisdiction. I think the two stand on different pedestals. This amendment cannot be regarded as having been over-ruled by the other.

MR. S. NILAKANTA PILLAI (*Chirayinkil II*): Sir, I second the amendment. The Bill as revised by the Select Committee, does not render relief to the agriculturists who are really in need of it. By the exclusion of debts incurred for purposes of trade, and debts due to Government and to Jenmies, agriculturists do not derive any benefit from the Bill. Moreover instead of rendering sufficient help to the small agriculturists the Bill is intended to give relief to the big agriculturists, such as rubber and tea planters. Their properties are heavily indebted. These debts are incurred not merely for the purpose of cultivation. Their debts include monies borrowed for sending their sons to England, for purchasing costly motor cars and also for investing money in extensive properties taken for 99 year's lease from the Poonjar Edavagai. It is not the duty of the representatives of the people and the Government to go to their help. If at all Government want to lend a helping hand, they should do so for those cultivators who have barrowed money for cultivation, pure and simple.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): Is it the members view that the ordinary cultivators of paddy lands do not have debts exceeding Rs. 10,000?

MR. S. NILAKANTA PILLAI (*Chirayinkil II*): Some cultivators might have borrowed money exceeding Rs. 10,000, but they do not deserve help.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): Does the member think that they do not deserve help because their debts are higher than that of some others?

MR. S. NILAKANTA PILLAI (*Chirayinkil II*): No, Sir. I think that it is not the business of this House to help the people who indulge in speculative measures.

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MR. A. S. DAMODARAN ASAN (*Mavelikara*) : Is the member agreeable to give relief to those who have not indulged in speculative measures ?

MR. S. NILAKANTA PILLAI (*Chirayinkil II*) : No ; the State is not in a position to make a financial commitment to such an extent.

MR. K. R. ELENKATH (*Kalkulam I*) : Is it the member's view that those who have incurred debts below Rs. 10,000 have incurred them on account of agriculture alone ?

MR. S. NILAKANTA PILLAI (*Chirayinkil II*) : Mostly, Sir.

MR. P. C. KURIYAN (*Kottayam I*) : May I know whether the member is willing to allow conciliation in the case of all those who owe debts below Rs. 10,000.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : What is the financial commitment of the State if the amount is increased ?

MR. S. NILAKANTA PILLAI (*Chirayinkil II*) : There is a provision in the Bill that when the conciliation has been effected, the conciliated amount may be disbursed either by a private Bank or by the Land Mortgage Bank.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : Is there any such provision in this Bill ?

MR. S. NILAKANTA PILLAI (*Chirayinkil II*) : There is a provision, Sir.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Sir, I oppose the amendment. I think Mr. Sambasiva Aiyar's idea is that the jurisdiction of the Board should be only Rs. 10,000, meaning thereby that the Board shall not be competent to deal with conciliation if the debt to be conciliated exceeds Rs. 10,000. If this amendment is accepted, it will amount to this. Suppose a man has Rs. 50,000 debts, the Board will conciliate only Rs. 10,000 out of it and that the remaining Rs. 40,000 cannot be conciliated. But the Board cannot operate properly unless all the debts are before the Board. One fundamental principle of conciliation is that it must be possible to reach all the debts and assets of a person and then arrange conciliation. That will not be possible if this limit is put. On that ground, I oppose this.

The amendment was put to the vote and lost.

(At this stage, the President left the Hall and the Deputy President took the chair).

MR. PACODE A. NARAYANA PILLAI (*Vilavankod*) : Sir, I move———

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : I rise to a point of order. A very similar and substantial motion was made yesterday, that is amendments Nos. 56 and 68.

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MR. PACODE A. NARAYANA PILLAI (*Vilavankod*): My amendment which provides for constitution of boards is not substantially identical with the amendments Nos. 56 and 58. I shall show on what essential points the board contemplated in my amendment is different from the board contemplated in the previous two amendments. In the previous amendments, discretion to appoint a Conciliation Officer did not rest with Government. In respect of that, the amendment specified the officer to be appointed as the Conciliation Officer. I believe the House will agree with me when I say that was objected to by the honourable Members of this House. The House wanted to leave the discretion with Government. It is open to Government to appoint a suitable officer in the service of Government as a Conciliation Officer. Mr. Kuriyan's amendment tied down the discretion of Government. He said that the officer must be a judicial officer. Mr. S. J. Nair specified the officer to be a Tahsildar. That also was not approved by this House. But my amendment simply says that the board shall consist of an official Chairman. He may be a judicial officer in case where a proper man is available, or a Revenue officer, as the case may be.

Another essential defference between Mr. Kuriyan's amendment and mine is, that the board's decision is to be arrived at by a majority of votes. On these two important points, my board differs from the board contemplated in the two previous amendments. Then coming to the merits—

DEPUTY PRESIDENT: I think Mr. Narayana Pillai's amendment is not in order, because the prominent question to my mind is this, whether there should be one officer or a board composed of an officer and two or more non-officials? There is the discussion in this House which is fresh in our mind. The issue whether there should be one officer or a board in the extended sense has been decided yesterday by this House. Therefore there will be very little good in allowing this motion. Motions coming further down, almost all of them, are of that type.

There is one amendment to Clause 3 which was accepted by the House. It is as follows:

"In Clause 3; sub-clause (1) (*b*), add the following Proviso—

"Provided that the jurisdiction of the boards establised under Section 3, Sub-clause (1) (*a*) shall be so defined and adjusted as to include the whole State",

The question is that Clause 3, with this amendment, do stand part of the Bill.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): Sir, I oppose it. This clause involves a new principle, namely conciliation of debts through the agency of boards. Such boards are adopted by legislation in Provinces like the Punjab, Madras and the Central Provinces as well as in Mysore. The Royal Commission on agriculture has recommended the establishment of conciliation boards in areas where the heavily indebted agriculturist debtor is unable to pay his debts. The Co-operative Enquiry Committee no doubt has recommended that the same relief be awarded to Travancore agriculturists. But the conditions in Travancore are entirely different from the conditions in British India and elsewhere. As regards Travancore, compared with the rest of India, our rate of

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[Mr. R. Sambasiva Aiyar]

interest has been restricted by legislation, Regulation 1 of 1010, which is a century old legislation. By that enactment, excessive interest *i. e*, interest over 12 per cent. has been prohibited. Compound interest has been prohibited. Interest exceeding half the principal amount also is prohibited.

While speaking on the principle of debt conciliation, I am applying the principle of reduction of interest in a country where it is regulated by legislation. Throughout British Indian courts there is no law by which they are comeptent to reduce interest. Here that too has been legislated.

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): May I know whether the member is aware of a law regulating usury in British India?

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): Yes. It is possible for the courts in certain Provinces in British India to consider whether any transaction is usurious and the circumstances under which it has come about. That is only an amplification of the principle enacted in certain sections of the Contract Act. There is no specific prohibition anywhere in British India as there is in Regulation I of 1010 by which the courts were made powerless to grant interest exceeding 12 per cent. per annum. That is the great difference. There was a a move by the Government to increase rates of interest when the Civil Procedure Code was re-enacted in 1100.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): Who was the Law Member then?

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): Mr. Subba Aiyar.

Such a move emanated from the honourable judges of the High Court including Rao Bahadur Muthunayagam Pillai and Sir M. Krishnan Nair.

MR. KAYALAM PARAMESWARAN FILLAI (*Additional Head Sirkar Vakil*): Has the country suffered because of limitation of interest?

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): Yes.

When money could not be obtained for 12 per cent. the parties had to circumvent the law by various devices. There will be an understanding between parties by mutual consent that 18 per cent. will be given. The interest and commission will be taken by the creditor, before money is actually paid to the debtor. What I am emphasising is this. If our monies do not fetch proper rates of interest, they will either go out of Travancore or circumvent any law fixing artificial rates of interest.

MR. A. THANU PILLAI (*Trivandrum-Rural*): May I know whether that practice is still going on?

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): Credit transactions have been going on now. When money is wanted by an agriculturist, he does not get it even for 12 per cent. though the Travancore Government gets as loan five times the required amount at the rate of $3\frac{1}{2}$ per cent.

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DEPUTY PRESIDENT : Mr. Sambasiva Aiyar cannot be permitted to talk in detail about the question of interest, for, I don't find the word interest used in the clause. I do not say, the idea of interest is absolutely foreign to that clause. But after all it is only germane to the subject and not of the subject. Therefore any prolonged discussion on interest is not in order.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*) : As I said in the beginning, I mention this only to show the difference in conditions in Travancore with the rest of India, Mysore etc. There is here a law regulating rates of interest and the law has been in force for more than a century.

The other point is that in British India we find that money-lending is generally done by a set of professional people who are called sowcars. They are persons who do not take any interest in agriculture, who only prey upon the agriculturists and who are a set of professional money-lending people lending money at rates of interest ranging from 36 per cent. to 100 per cent. The finding of the Agricultural Debt Redemption Committee is that there is not such a class as sowcars in Travancore. I may be permitted to read a portion from the Committee's Report. On page 12 it is said :

> "The bulk of agricultural credit is supplied by rural money-lenders. Many of them are also big landowners. Their terms of business vary according to their resources, the nature of the security offered, the demand for credit and the position of the borrower. As a rule, they do not care for further investments in land, as the return from land is much smaller than that from the lucrative profession of money lending. The relations between the lenders and the borrowers are, generally speaking, remarkably different in Travancore from what they are elsewhere in India. The sowcar type of money-lender, is for instance, rare in this country."

MR. A. THANU PILLAI (*Trivandrum-Rural*) : Is it a fact that debts are not repaid with the same amount of regularity as they used to be paid before the depression period ?

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*) : I will answer that.

DEPUTY PRESIDENT : I shall give you this direction. I understand the trend of your argument and I can more or less anticipate what is going to be said next. I must say this. This section deals with conciliation. Conciliation has a certain meaning which is well known to the House ; a practicable way of discharging debts between parties. It may be that the creditor and debtor are brought together without sacrificing any interest or without making the debtor pay more. The matter could be settled if the creditor will take a portion or the whole property of the debtor. Therefore the reduction of interest, costs and such other matters need not come under this section. I fully appreciate Mr. Sambasiva Aiyar's point. But there are other proper sections under which all these questions could be discussed. The only principle that is involved is that of conciliation and the form of conciliation. The sacrifice of certain people and the advantages to be gained by other people do not arise under the section.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*) : I would only submit this.

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MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Is it the member's idea that credit will suffer if the conciliation proposal is put on the Statute Book ?

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*) : That is one of my points though not the point at this stage. My main point at this stage is that Government should not establish conciliation boards as contemplated under this clause having regard to the peculiar conditions in Travancore as compared with British India.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Is it the Honourable member's position that rural credit will suffer if conciliation boards are established ?

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*) : Yes. My point is that Government should, instead of establishing boards, pay up the money. That is the right way of doing it.

DEPUTY PRESIDENT : How will rural credit suffer if conciliation boards are established?

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): It will suffer because monied people will no longer lend money to the needy agriculturist. We know that the object of the Law is that the debtor and creditor should be brought together and settlement made in such a manner that the debtor need pay only something less than the actual amount.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Does rural credit suffer because there is an Insolvency Law?

MR. R. SAMBASIVA AIYAR (*Knnnatnad II*) : No. Here the sanctions dealing with conciliation do not even say that the debtor need even make a statement that he is unable to pay. He may be able to pay, but only unwilling to pay.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : Is that the object of this section ?

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*) : Yes, it is the object of all the sections. The Government instead of trying to establish conciliation boards, should try to pay the agriculturist debtor. As I pointed out from the Report, almost all the transaction in Travancore are amongst agriculturists themselves. There is no sowcar type of money lender. Both the creditor and debtor are agriculturists. Conditions are far different from British India. Why should you penalise the creditors alone.? What ought to be done by Government is to try to pay the creditor his dues and thus help the debtor. Government can get money at cheap rate of interest. The creditor is not responsible for the circumstances now brought about by the economic depression. Why should you penalise one party alone ? Why not Government pay the creditors by floating a long-term loan at low rate of interest ?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : If Government take up the debt, how will they recover the money from the agricultural debtor ?

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MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): There is sufficient property as security which the debtor can funish. It will be a first charge to the extent of the value of the properties. I submit Government should raise the loan and they should recover the same from the agriculturist debtors under the proceedings of the Revenue Recovery Regulation, if payment is defaulted.

MR. PACODE A. NARAYANA PILLAI (*Vilavankod*): Will Government be able to recover 16 annas in the rupee?

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): Yes ,if the properties are worth the security.

Clause 3 as amended was then put to the vote of the House and carried.

The clause was added to the Bill.

Clause 4.

MR. V RAMAKRISHNA PANICKAR (*Kartigapalli II*): Before I move my amendment, I rise to a point of order. Clause 4 proceeds on the assumption that there will be areas where boards are not established.

DEPUTY PRESIDENT: So you do not move your amendment?

MR. V. RAMAKRISHNA PANICKAR (*Kartigapalli II*): No. Amendment 60 has the effect of establishing boards throughout the State. So Clause 4 has to be changed. Here the amendment which has been—

DEPUTY PRESIDENT: So you want to change the wording of the amendment?

MR. V. RAMAKRISHNA PANICKAR: (*Kartigapalli II*): Amendment No. 85 may be allowed to be moved by me.

DEPUTY PRESIDENT: That is Mr. S. J. Nair's amendment. I cannot allow you to move his amendment; you may make the necessary changes in your amendment.

MR. V. RAMAKRISHNA PANICKAR (*Kartigapalli* II): My amendment may be changed like that.

MR. K. R. ELENKATH (*Kalkulam I*): In view of the proviso that has been passed, I would like to know how this amendment will improve matters?

DEPUTY PRESIDENT: You are proceeding more quickly than one can do, for Mr. Ramakrishna Panickar has not yet stated what the amendment is. He has got only a possible amendment. He wants to change the wording. Before it is done, how can you put a question?

The House will now adjourn to meet again at the usual hour, 2 o' clock. In the meantime, Mr. Panickar will make an effort to put his ideas correctly.

The House adjourned for lunch at 1 P. M. and reassembled at 2 P. M, the Deputy President presiding.

MR. V. RAMAKRISHNA PANICKAR (*Kartikapalli II*): I beg leave to move my amendment, having been granted permission by the Chair, in the following altered form :—

'Delete in Clause 4 (1) the words 'or if no board has been established for that area, to the board established for any area in which he holds immovable property' occuring in lines 2, 3 and 4".

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DEPUTY PRESIDENT : Is it consistent in the light of the amendment that has been accepted in the third clause?

MR. V. RAMAKRISHNA PANICKAR (*Kartikapalli II*); It is in the light of the accepted amendment that I seek to move this amendment.

Clause 3 as amended contemplates establishment of boards throughout Travancore. Clause 4 proceeds with the assumption that there would be boards only in certain areas while there will not be boards in other areas.

DEPUTY PRESIDENT : 'Throughout Travancore' implies that every subject will have a board to apply to.

MR. V. RAMAKRISHNA PANICKAR (*Kartikapalli II*): To be consistent with Clause 3, Clause 4 has to be amended into the form which I have submitted.

C.I. MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): What is the form?

MR. V. RAMAKRISHNA PANICKAR (*Kartigapalli*): I will read the form. The amendment is: In clause 4 (1) delete the words "or, if no Board has been established for that area, to the Board established for any area in which he holds immovable property" between the words "resides" and "but". The clause, as it is, will show that there will be Boards in certain areas whereas in other places there will not be Boards. My amendment is consequential of the amendment in clause 3.

DEPUTY PRESIDENT : If it is only a consequential amendment, then there is no question of principle involved in it. I think therefore it may be left to the mover.

MR. V. RAMAKRISHNA PANICKAR (*Kartikapalli II*) : Since it is assured that the mover will make the necessary amendment, I do not press the amendment.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): Sir, I wish to move the following amendment :—

> *Add the following as sub-clause 4 :—"4. No application shall be made under sub-clause (1) or sub-cluase (2) unless the application includes a debt in extence on the date of the commencement of this Regulation."*

Sir, my object in making this motion is that though conciliation as a remedy necessary for the existing evil has to be now sanctioned, Conciliation Boards need not be permanent institutions in the State. Yesterday I moved an amendment to which some objections have been taken and so I have tried to bring forward this amendment so that all objections could be removed and the scope of the same further limited. By this what I wish is that an application should not be put in simply for the purpose of conciliating a debt which comes into existence after the date this Regulation comes into force. If such a thing is allowed, as I submitted yesterday, the life of the Conciliation Boards will have to be extended indefinitely, and that, for a purpose for which this Bill is not intended. With these words I move that the amendment he accepted.

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MR. R. SIVARAMAN NAIR (*Tiruvalla II*): I second it.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): So far as I can see, at the moment, I am prepared to accept the principle of Mr. Asan's amendment. But of course I should be glad to know whether there is any serious oppositions from any quarter, and if that opposition is based on sound reason, I would not vote for the amendment.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): Sir, I oppose this amendment, because the principle has been discussed even before this as to whether there is any harm if Conciliation Boards continue after the so-called period of depression ends. Sir, on that I expressed once my view and still hold on to it. There is no serious harm, Sir, going to happen if another man puts in an application for conciliation just after the period after the promulgation of this Regulation.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): The application would be put in after the promulgation of the Regulation ?

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): The Regulation should be made applicable for a debt contracted after the coming into operation of this Regulation. This amendment, I consider, Sir, tries to come through the back door when it has been defeated on frontal attack. On principle, this is trying to whittle down the concession given to debtors to avail themselves of the method of conciliation. Therefore, I take very serious objection to this.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): If an application for conciliation is made, will not a suit in respect of that debt be prohibited under the provisions of this Regulation ?

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): It may be.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Then if you are going to allow conciliation for future debts for ever, will not a suit on that be prohibited or delayed?

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): Yes, suits may be prohibited, or may be delayed. That is the way in which the debtor gets a respite or breathing time. We are passing this Regulation and giving the debtor these concessions with regard to past debts, because we feel there is necessity of respite for the paying of the debts; and even for the purpose of paying the debts that are conciliated or even prior debts that have been conciliated, the debtor may have to borrow money even after this Regulation is passed. As soon as the money is borrowed, the need comes and wherefrom can he get the respite?

MR. A. S. DAMODARAN ASAN (*Mavelikara*): Does the amendment prohibt conciliation of those debts that are incurred subsequently by persons who are not at present debtors ?

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): What I meant was, that it is restricting the scope of the conciliation method. I have not fully comprehended the amendment. I said that. But on principle there is this objection and this is bringing in the old thing again.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): Does it prevent any debtor from conciliating the debts he owes at present?

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MR. K. KUNJUKRISHNA PILLAI (*Quilon I*) : Why should any debtor be prevented from conciliating any debt?

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : May I know whether this denies relief to any debtor who has got debts now?

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*) : Why should those people who have no debts now and who contract debts hereafter be denied this privilege?

MR. PACODE A. NARAYANA PILLAI (*Vilavankode*) : I oppose this amendment on this ground that this was once considered under amendment No. 22. While we were considering the definition of a Board under sub-clause 2 (*e*), Mr. Asan had an identical amendment and that was this :

> In clause 2, sub-clause (*e*) insert the words "in existence on the date of the commencement of this Regulation" between "agriculturisis" and "due" in line 1."

Sir, this House has expressed in unmistakable terms its opinion on that matter then.

MR. R. RAMAN PILLAI (*Changanacherry* cum *Peermade II*) : Can a motion, allowed to be moved by the President, be disallowed now?

DEPUTY PRESIDENT : I think there is difference between the two amendments.

MR. A. THANU PILLAI (*Trivandrum—Rural*) : I oppose the amendment; because, I do not find any real difference between this amendment and the one that the House has rejected already. The two are substantially identical.

DEPUTY PRESIDENT : Mr. Thanu Pillai, you can oppose the amendment on its merits. But, you cannot say that you do it because this amendment is substantially identical with another one that has been rejected by the House; that will be going against the ruling of the President.

MR. A. THANU PILLAI (*Trivandrum-Rural*) : I oppose the amendment on its merits; but I do it on the ground that this amendment is substantially identical with anothor that has been rejected by the House. The only difference between that amendment and this amendment is this. While that affects interest alone, this amendmenf seeks to affect conciliation itself so far as the future debt is concerned. While it is granted that, so far as future debts are concerned, the rate of interest can be reduced from 9 per cent. or 12 per cent., whatever it may be, to 6 per cent. or so, what objection is there, I ask, in giving the facility of conciliation also for future debts? What the Law Member said when the other amendment was under discussion was that he would have agreed to it if it had related to conciliation alone but that, since it sought to affect interest also, he could not agree to it. The House has decided that interest should be 6 per cent. or so and not more so far as future debts are concerned. So, what objection is there in gvining the benefit of conciliation also?

Sir, we have to bear in mind this aspect of the question. The depression is not going to cease all on a sudden one fine morning. Let us take it that these boards will be established. Why should we make

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a distinction between a debtor who borrows just a day *before* this Bill becomes law and another who borrows a day *after* this Bill becomes law? Where is the justification for that kind of invidious distinction? Why should we allow the facility of conciliation for the former and deny it for the latter. As long as the Boards are going to be in existence, let all debtors get the benefit of conciliation irrespective of the date on which they borrow? Let them explain their difficulties to the Board and ask for reduction. Even in the case of debts incurred after this Bill becomes law, there may be circumstances justifying conciliation, justifying reduction and instalment payment.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): Is there not the provision that interest can be reduced in the case of future debts?

MR. A. THANU PILLAI (*Trivandrum-Rural*): Then, in the case of debts incurred before this Bill becomes law, why not rest content with reduction of interest? Why should you provide for this clumsy organisation, *viz.*, conciliation boards? If conciliation is considered desirable in the case of present debts and debts that may be incurred till the date of this Regulation, how does it become unnecessary in the case of debts to be incurred after the date of this Regulation? Reduction of interest, by itself, cannot be considered to be an adequate remedy for the debtors. Conciliation is the crux of this piece of legislation. We are not sure how conditions may change hereafter.

There is also another very important aspect of the matter. It was argued that future credit may be shaken. Sir, there is no guarantee when this Bill will become law. For my part, I am not sure about it, especially seeing the rate at which we are proceeding. We have the third reading also to be gone through. One fact which this House has to bear in mind is that, if we accept this amendment, no one would advance a pie as loan until this Bill becomes law; because, the creditor need not face conciliation if he advances loans after this Bill becomes law, whereas, if he advances money now, such loan would be subject to conciliaton. Therefore, this amendment is sure to kill what little credit the agriculturist has now.

DEPUTY PRESIDENT: I believe the Dewan has summoned a meeting of the Council also specially for the sake of this Bill; and so there is every chance of the Bill becoming law soon.

MR. A. THANU PILLAI (*Trivandrum—Rural*): I know the President has announced like that; but there is a lot of difference between such an announcement and the actual fact. One cannot be quite sure in such matters. That is one aspect of the matter.

As I said, substantially, there is no difference between a debt incurred before the Bill becomes law and a debt incurred after it becomes law. We all know, Sir, that, in spite of the loud talk in the country that the debtors would be given some substantial relief on account of the depression, money has been advanced since 1105, even after such talk began. That shows that the agriculturist will be able to get credit even if we provide for conciliation also of debts to be incurred after

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[Mr. A. Thanu Pillai.]

this Bill becomes law. Therefore, there is no fear that his credit will be shaken merely because of this provision for conciliation. I therefore oppose the amendment.

MR. K. C. ABRAHAM (*Kottayam II*): I also oppose the amendment. This Blll is not intended solely for setting right what has happened during any particular period. May be there was depression at the time the Bill was introduced; but that does not mean that this Bill is intended for setting right things that have happened since the depression set in. We want this as a permanent statute. Therefore, why not extend the benefit of conciliation to future debts also, especially since the parties will be contracting hereafter with open eyes and with full knowledge of the provisions of this Bill?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): But, will not a provision for conciliation deter the creditor from advancing money?

MR. K. C. ABRAHAM (*Kottayam II*): In my inmost heart, I should be glad if, to some extent, our agriculturists are prevented from incurring further debts, since they are already drowned in debt. Let them not borrow hereafter except for absolute necessities. (*Hear, hear*).

With these words, I oppose the amendment.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I may be permitted to say, Sir, that I doubt very much whether the real purport of the provision now sought to be incorporated has been understood. The amendment does not prohibit conciliation of all future debts. It only says that debts incurred after this Bill becomes law should not be subjected to conciliation, if such debts are all the debts of the debtor.

MR. A. THANU PILLAI (*Trivandrum-Rural*): Sir, I may inform the Law Member that, when I opposed the amendment, I had fully understood the provision in the Bill, and that exactly in the sense in which the Law Member has understood it.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I am glad, Sir.

The proposal is that, if a person now has debts to the extent of Rs. 10,000 and if he borrows another Rs. 10,000 after this Bill becomes law, all the Rs. 20,000 will be subjected to conciliation; but a person who has absolutely no debts now, if he incurs debts after this Blll becomes law, such debts will not be subjected to conciliation. That is what the proposed provision means. It seems to me, Sir, that this is a very wholesome provision. It must not be imagined that we are discriminating between the future debts of present debtors and their present debts. The point is this. The present debtor deserves to get the benefit of conciliation on account of the depression, but conciliation will not be practicable unless *all* his debts are brought under conciliation. That is why we bring the future debts of the *present* debtors also under conciliation. But this reason will not apply to the debts of the future debtors.

It must be conceded that conciliation is a delaying process and this conciliation is intended specially to meet the present extraordinary situation. Once a debtor applies for conciliation, he cannot be sued for

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his debts; and even a suit that had been filed already will be stayed if conciliation is applied for. Conciliation is, therefore, a delaying process. The question is whether such delaying process should be made available to the debtor for all time to come. As I said, in the case of a debtor who has incurred debts already, even his future debts may be brought under conciliation in order to make conciliation practicable. The Bill already provides for it. Mr. Kunjukrishna Pillai says that even the future debtor, one who has no debt now, but incurs debt hereafter, should be given the respite which conciliation affords. If we provide for that, Sir, we will be proclaiming to the creditor that he will have to wait, in every case in which money is advanced by him, firstly for the conciliation and then for the first Court decree, then for the appellate Court decree and so on; and all that would really result as too much of a clog on credit.

MR. K. R. ELENKATH (*Kalkulam I*): While we are giving the benefit of conciliation for all the debts of a debtor who now owes only Rs. 50 but who incurs a debt of Rs. 1,000 after this Bill becomes law, why should we deny it to another who has no debts now but who incurs a debt of Rs. 1,000 after this Bill becomes law?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Now, I think I was perfectly justified in saying that the provision had not been correctly understood. Mr. Elenkath asks me why the present and future debts of a person who is even now a debtor be brought under conciliation. The reason is this. Unless all the debts of a person are brought up before the Board, a just conciliation will not be practicable. We deny conciliation to a person who is not a debtor now, but who becomes a debtor after this Bill becomes law; because, conciliation is not only not binding on anybody but is also a delaying process, and we do not want to provide for such conciliation for all time to come.

MR. A. THANU PILLAI (*Trivandrum-Rural*): If such a delaying process could be resorted to as against creditors who have waited so long, why not we have it as against future creditors who would be entering into the transaction with open eyes?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): The present debtors borrowed money when they could not have even dreampt of the present depression, to meet which we are now trying to find a remedy. It is intended to be a delaying process. In fact, it is a delaying process. All that we intend is that there must be an adjustment of the debts.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): May I know whether it will not be indirectly affecting the credit of persons who have already incurred debts, because the creditors will be tempted to give loans only to persons who have no debts prior to the Regulation? They have got a safety valve in giving loans to those people.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Yes. That may be so, and Mr. K. C. Abraham at least will be glad of it; he said that the agriculturists must be disabled from borrowing.

MR. K. C. ABRAHAM (*Kottayam II*): I said not absolutely.

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MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Why not take it as a general rule, that it should not be possible for a man to borrow if he has a debt already? We should try to stop such a man borrowing further. On the other hand, if he can present a clean slate by wiping out all his debts, then let him approach the money lender again for an advance of money. It must be remembered that one of the objections generally raised to the provisions of this Bill is that it will stop future credit. I am not speaking of the credit of the State but of the future credit of the agriculturists. Now, if you tell the public that, if hereafter you lend money to an agriculturist who has no debts at present, you need not go before the conciliation board, I think that the credit will come back. So far as the man who is already indebted is concerned, he should not be given facilities to go again for debts.

DEPUTY PRESIDENT: The Law Member is taking pains to convince the House and I hope advantage will be taken of that

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): It is the desire of all of us that the credit of the agriculturist should not suffer. Between party and party the credit should be encouraged. One disadvantage that is alleged against this Bill is that it will stop future credit. No doubt, as I said before, conciliation, though beneficial, is in the result a delaying process. Let us not therefore apply it to future debts so that to that extent at least the credit may not be hampered. I, for my part, am therefore prepared to accept the amendment. I see another amendment against Mr. Asan's name where he says that the agriculturist who contracts debts in the future should not be subjected to any penal consequences. But this present amendment goes, I think, one step further. It says that it shall not be open to a man who has *only* a future debt to apply for conciliation.

MR. K. R. ELENKATH (*Kalkulam I*): Are we legislating for a period of depression which has already gone and not for a period of depression which still continues?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): We are legislating for a period which is not past but which is to come. All that is meant by this amendment is that, if a person incurs a debt in the future and if he has no debt of the past, he should not apply for conciliation. But if he has got past debts also, let him apply. I am inclined to accept the amendment.

MR. P C. KURIYAN (*Kottayam I*): Sir, I oppose this amendment. Sir, we all realise that the present rate of interest is not at all fair considering the yield from the land. That is to say, there is no proportion between the rate of interest now prevailing and the actual yield from the land. So long as the depression has not ended, I think the rate of interest should be in keeping with the time.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Does the amendment apply to the question of interest?

MR. P. C. KURIYAN (*Kottayam I*): No, Sir, I referred to the interest because the only way of giving relief is by reducing interest.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Is that denied by this amendment?

MR. P. C. KURIYAN (*Kottayam I*): No. As far as I can understand, Mr. Asan's amendment is not to include future debts within the

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ambit of the Board. I will easily answer that position by saying that it will be possible for any future debtor to come within the ambit of the board by simply executing a bond with a past date.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Why then object to this amendment?

MR. P. C. KURIYAN (*Kottayam I*): According to the amendment, only the existence of past debts can enable a debtor to apply for conciliation and it is very easy for a man with future debts alone to execute another bond with a past date.

DEPUTY PRESIDENT: The law is not so futile as to allow such things to be done with impunity.

MR. P. C. KURIYAN (*Kottayam I*): Mr. Abraham was referring to people entering into transactions with open eyes. All people are entering into transactions with open eyes and I do not think that any one will enter into transactions with his eyes shut.

DEPUTY PRESIDENT: 'With eyes open' is an expression which every lawyer uses. It does not mean that other people are having their eyes shut.

MR P. C. KURIYAN (*Kottayam I*): As a result of the Regulation, the debtor will know what interest he has to pay in future. When the first debt was contracted, he knew that there was a provision that the interest cannot be above 12 per cent. But even there the creditors are able to tamper with the provision. So I think that, if the past debt is to be protected the future debt also should be protected.

The amendment was put to vote and declared carried.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): I demand a poll.

A poll was accordingly taken with the following result :—

AYES—37.

1 Mr. N. Abdur Rahiman Sahib
2 ,, S. Chattanatha Karayalar
3 ,, A. S. Damodaran Asan
4 ,, A. Easwara Pillai (*Kottarakara*)
5 ,, K. George
6 Miss Hepzibah Gnanasikamony
7 Mr. M. Mahomed Haneef
8 ,, M. K. Janardana Kamath
9 ,, T. S. Jayantan Namboothiri
10 ,, N. John Joseph
11 ,, J. M. Joseph
12 ,, T. C. Joseph
13 ,, K. C. Karunakaran
14 ,, T. T. Kesavan Sastri
15 ,, K. M. Krishnan
16 ,, K. P. Krishna Menon
17 ,, T. Krishna Pillai
18 Rao Bahadur Dr. N. Kunjan Pillai
19 Mr. E. K. Kunjuraman
20 Mr. K. Madhavan
21 ,, P. C. Narayanan Bhattatiripad
22 ,, K. Padmanabhan
23 ,, Kainikkara M. Padmanabha Pillai
24 Rao Sahib S. Parameswara Aiyar
25 Mr. Kayalam Paramesvaran Pillai
26 ,, R. Raman Pillai
27 ,, R. Sambasiva Aiyar
28 ,, P. K. Thomas
29 ,, T. C. Thommen
30 ,, John Whitely Tolson
31 ,, G. B. E. Truscott
32 ,, Menatheri N. Kesava Panickar
33 ,, C. V. Chandrasekharan
34 ,, K. N. Kesava Pillai
35 ,, M. Govinda Pillai
36 Mrs. M. Poonen Lukose
37 Mr. R. Sivaraman Nair

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NOES—20.

1 Mr. K. C. Abraham
2 ,, T. K. Alexander
3 ,, V. T. Chacko
4 ,, A. Easwara Pillai (*Kalkulam II*)
5 ,, K. R. Elenkath
6 ,, Antony George
7 ,, S. J. Nair.
8 ,, Pottayil S. Krishna Panickar
9 ,, N. K. Krishna Pillai
10 ,, K. Kunjukrishna Pillai
11 Mr. M. K. Madhavan Pillai
12 ,, K. Mahomed
13 ,, K. A. Narayana Pillai
14 ,, Pacode A. Narayana Pillai
15 ,, S. Nilakanta Pillai
16 ,, Edavanatt S. Padmanabha Menon
17 ,, V. Ramakrishna Panickar
18 ,, A. Thanu Pillai
19 ,, V. K. Velappan Nair
20 ,, P. C. Kuriyan

NEUTRALS—2.

1 Mr. Changanacherry K. Parameswaran Pillai
2 ,, N. E. Varughese

The amendment was declared carried.

DEPUTY PRESIDENT: Now the question before the House is that Clause 4 as amended do stand part of the Bill.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): I oppose it, Sir. The principle embodied in this clause that any debtor in the State can apply for conciliation to the board is in my view a pernicious one. It is stated that every subject of His Highness the Maha Raja can apply to the board for conciliating his debt. Now this clause read with clause 28 would in my view make the position absurd. Clause 28 is:

> "Except for special reasons to be recorded in writing, no court of law shall entertain, or allow to be prosecuted, any suit, application for the execution of a decree or other proceedings for the recovery of any debt for the settlement of which an application is pending before a board.'

Therefore all proceedings in a court of law would have necessarily to be stopped except of course when there are special reasons to be recorded in writing by a court of law. As stated by the Law Member himself, conciliation is a delaying process; and when circumstances are like that, credit transactions will be impossible. There will be a complete dislocation of the general credit of the country and particularly of rural credit.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): Would any debtor be allowed to apply to the board for conciliation?

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): Of course. According to the definition we have adopted, almost everybody is an agriculturist and you can count on your fingers the debtors who are not agriculturists. I do not want this clause at all and I do not want the Board itself.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): Then I rise to a point of order, Sir. If the member does not want any one to apply to the Board, it is almost the same question that was raised previously and discussed.

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DEPUTY PRESIDENT: A question on which a pronouncement was made by this House.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): Sir, I oppose the principle embodied in this clause that an application to a board may be made by an agriculturist debtor.

The question that Clause 4 as amended stand part of the Bill was put and carried. Clause 4, as amended, was added to the Bill.

Clause 5.

DEPUTY PRESIDENT: The question before the House is that Clause 5 do stand part of the Bill.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): Sir, I oppose it. Clause 5 relates to the manner of application before a board. It says :—

> "Every application to the Board shall be in writing and be signed by the applicant and verified in the manner prescribed by the Code of Civil Procedure. 1110, for signing and verifying plaints"

This is a duplicate-machinery, while the Civil Procedure Code is already there. The courts of law are there to adjudicate the claims of debtors and creditors.

DEPUTY PRESIDENT: I must intervene at this stage and say that here some machinery is being provided for the carrying out of conciliation. It does not import any new principle because, under the Civil Procedure Code, there is provision for verification of plaints. It does not mean that other laws cannot have application.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): What I submit is that the courts are there and therefore this provision is not necessary. I object to Clause 5. Clause 5 was added to the Bill.

MR. K.C. ABRAHAM (*Kottayam II*): Is it the member's view that conciliation may be effected without an application, even oral ?

DEPUTY PRESIDENT: The member does not evidently choose to answer.

The question that Clause 5 do stand part of the Bill was then put and carried ; Clause 5 was added to the Bill.

Clause 6.

MR. K. PADMANABHAN (*Chirayinkil I*): Sir, I move the following amendment.

In Clause 6, sub-clause (1) (d), insert the words "that he is unable to pay his debts and" between the words "statement" and "that" and substitute the words "the same" for "his debts."

The clause when amended will read as follows :

> "(*d*) A statement that he is unable to pay his debts and that he wants an amicable settlement of the same."

Sir, this amendment is substantially the same as the clause in the original Bill before it was amended by the Select Committee. Clause 6 enumerates various particulars to be furnished by the debtor in his application for conciliation by the Board. We are enacting this Legislation for the purpose of affording relief to the agriculturist debtors and

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[Mr. K. Padmanabhan.]

this Board is constituted for the purpose of compounding the debts of such agriculturists as cannot pay their debts. I cannot see why the debtor should fight shy of the fact that he cannot pay. Whether a debtor is able to pay or not is a matter which has to be decided by the Board itself. Under the circumstances, I submit that it is only reasonable that he should make such a statement before the Board.

MR. K. R. ELENKATH (*Kalkulam I*): Does the member mean to say that the statement should be that a debtor is unable to pay his debts or that he is unable to pay it to the Board?

MR. K. PADMANABHAN (*Chirayinkil I*): The statement should be that he is unable to pay his debts.

MR. K. R. ELENKATH (*Kalkulam I*): He may be paying it in a lump sum.

DEPUTY PRESIDENT: You must leave it to the Court to decide.

MR. K. PADMANABHAN (*Chirayinkil I*): Sir, it is apprehended that, when this Bill becomes law, it will have a very had reaction upon the future economic life of the country. It is apprehended that it will affect adversely the money-lending transactions of the country. The object of my amendment is to minimise that as much as possible. If the amendment is made, we have a guarantee that only those who cannot pay will resort to conciliation and that those who are able to pay will not resort to it.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): In seconding the amendment, I want to stress one point. We do not find a similar clause in any enactment in Mysore or British India. This statement of inability to pay is almost a condition precedent for the debtor to seek relief before a Board. My view is that this must be a condition precedent to enable debtor to put in an application before the Board.

DEPUTY PRESIDENT: Will a statement that he is unable to pay his debts be an act of insolvency?

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): No, Sir.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): If, as a matter of fact he is unable to pay, will it not be insolvency?

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): Yes. But what I say is that a statement that he is unable to pay will not be an act of insolvency.

DEPUTY PRESIDENT: You fear that a false statement may be made?

MR. R. SAMBASIVA AIYAR (*Kunnatnad*): No. Why should we show sympathy to any man who is really able to pay? This is intended as a cheap form of insolvency to those persons who are really unable to pay and are practically insolvent. Why should those persons who are really rich not pay sixteen annas in the rupee? Therefore, my submission is that this amendment is quite necessary.

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MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Sir, I oppose the amendment. I perfectly agree that there is some force in what Mr. Sambasiva Aiyar and Mr. Padmanabhan said. It may no doubt be true that conciliation should be availed of only by those who are unable to pay their debts. But to restrict conciliation in the way proposed is not feasible. There are two difficulties. One is that, owing to the present uncertainty of prices, it may be practically difficult for any man to say that he will not be able to pay all his debts. Some may not be able in fact to pay their debts, while others may in fact be able to pay their debts, whatever the debtor's own view of it may be. So if we say that a statement should be made by the debtor that he is unable to pay his debts, whenever he applies for conciliation, we will be denying the benefits of the provisions of this Bill to many.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): If he is able to pay his debts, why should he go to the Board?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): That is why I said that, to that extent, there is force in what Mr. Sambasiva Aiyar said. But practically speaking, the debtor will not be in a position correctly to say whether he is able to pay his debts or not.

Secondly, we are trying by this special legislation to set up the agriculturist on his feet. We must have some regard for his sentiment. We should not call on him to commit suicide or *hari-kiri* as the Japanese call it, by making a declaration that he is insolvent. No man will say that he is an insolvent, if he can by any means avoid it. Such a statement will affect his dignity and the sentiment of the people generally in the country will abhor it. We know that there are many people who are not able to pay their debts, but who will feel great shame to confess their insolvency. That is the sentiment of the people of this country. Probably, in great commercial places, people may not feel such compunction. But in a country like Travancore, a man feels hurt to be called upon to say that he is an insolvent. He will rather go to jail and remain there for six months than make a statement of this kind. We do not want to compel him to say so. If, as a matter of fact, a person is rich enough and goes to the Board for conciliation, the Board can be expected to give the creditor sixteen annas in the rupee. We can leave it to the Board to decide. Sir, I oppose this amendment.

The amendment was put to the vote and lost.

MR. K. PADMANABHAN (*Chirayinkil I*): Sir, I move the following amendment:—

In Clause 6, sub-clause (2) (c), for the words "unable to pay" substitute "not paying", and for the word "or" substitute "and", and in line 2 substitute the word "same" for the words "debts due to him."

In the amended form, sub-clause (2) (c) will read as follows:—

"(c) A statement that the debtor is not paying his debts and that he (the creditor) wants an amicable settlement of the same."

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[Mr. K. Padmanabhan.]

Here we are considering the application of a creditor. A creditor may not ordinarily be in a position to state whether a particular debtor is able to pay or not. What he is in a position to state is that he is not getting his money. So I submit that this amendment is very necessary. With these observations, I move the amendment.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): I second the amendment.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Sir, according to the clause, as it stands now, the creditor is not called upon to state that the debtor is not able to pay his debts. There is no such obligation on the creditor to say that. The clause, as it stands, reads thus:

> (c) A statement that the debtor is unable to pay his debts or that he (the creditor) wants an amicable settlement of the debts due to him".

Thus there is no obligation on the part of the creditor to say that the debtor is unable to pay his debts. Therefore Mr. Padmanabhan's amendment does not stand to reason.

MR. K. PADMANABHAN (*Chirayinkil I*): How is it possible to the creditor to know that the debtor is not able to pay his debts?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): That is why I say that the creditor has no *obligation* on his part to assert that the debtor is not able to pay. It would be enough if the creditor says that he wants amicable settlement.

The amendment was put to the vote and lost.

DEPUTY PRESIDENT: The question is that Clause 6 do stand part of the Bill.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): I oppose the clause. My reason is this. There is the Insolvency Regulation which enables a person who is unable to pay to get proper relief. That being so, it is quite unnecessary that this enactment should find a place here.

Clause 6 was then put to the vote and carried.

Clause 6 was added to the Bill.

Clause 7.

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): Sir I move the following:—

"*Delete Clause 7 and re-number Clause 8 as Clause 7.*".

Clauses 7 and 8 relate to the procedure to be adopted on receipt of application from the debtor or after presentation of a petition by other creditors. As the clause now stands, it strikes me that the procedure is a little cumbersome and also expensive. In the Bill as drafted, it is stated that on presentation of a petition to the Conciliation Officer the Board shall pass an order fixing the date for hearing the application. Then notice thereof *shall* be given by Anchal or Post acknowledgment due as well as in such other manner prescribed. As soon as the

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application is presented, whether it be by a debtor or creditor, an order has to be passed and notice of that order has to be published. The object of these two provisions in Clauses 7 and 8 according to the revised Bill is to bring the debtor before Conciliation Officer and proceed with the enquiry. All the creditors are to be consulted ; all information necessary for conciliation is expected only from the creditors. So much so, if the debtor himself voluntarily appears and presents his petition before the Board, notice of that petition shall be given to the creditors mentioned in his application. When the creditor comes to the court, the debtor has to be brought before court and information of his other debts has to be obtained. So the notice has to issue to the debtor as soon as the creditor presents his petition. Then the debtor comes to the court and makes a statement about the various creditors and the amounts due to them. Then alone a second notice could be issued. That is to say, a further notice has to be given to all the creditors mentioned in the debtor's statement so that the creditors who have information about it may be enabled to appear before the court. That is the scheme. This idea has been so arranged that, when an application is presented by a debtor, two notices have to be issued before enabling an enquiry to be started. The debtor's list may contain the names of all the creditors. The Section says that a Conciliation Officer shall pass an order fixing the date of hearing of the application. This notice shall be served to the creditors either by Anchal or Post acknowledgment due or in the manner prescribed under the law. Therefore a debtor has to incur two expenses, firstly, for the issue of the notice and, secondly, for the issue of a notice to the same creditors for their statement. Therefore when the petition is presented by the debtor himself, two notices have to be issued under this clause as arranged. Secondly, when the creditors themselves appear and the court deems it desirable to effect conciliation, another notice has to be issued to the same set of creditors. In the case of a creditor appearing and petitioning, naturally two notices are necessary. The creditor brings the debtor alone as a party. Therefore notice naturally has to be issued to him and then to his co-creditors. When all the other creditors come, it will be time then for publishing the notice so that any creditor who has not appeared or whose debt is not mentioned in the application may come and press his claim. But when the debtor presents his application, according to the arrangement in the Bill, he has to incur double expenditure. This procedure is a bit cumbersome and onerous. Those who are familiar with the practice in insolvency courts can realise this difficulty of issuing notices to counter-petitioners. In the first place, notice by Anchal or Post has to be issued to all the creditors. Secondly, publication of that matter is insisted upon in the Government Gazette. For this an amount between Rs. 15 and Rs. 25 is being realised in advance for payment by way of printing charges. If the Press Superintendent sends up an additional bill, that claim has to be met either by the petitioner or by the Vakil who appears for the petitioner. That is the rule. Therefore it will be found that a big item of expenditure has to be incurred by the debtor who unfortunately is anxious to have his debts conciliated. I am bringing this

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[Mr. Puthupalli S. Krishna Pillai.]

analogy to show that, when the debtor himself presents an application, a notice should be issued to the creditors and the matter published in the Gazette. He should not be compelled to undergo the same penalty a second time. Our idea is to give as much facility as possible for effecting conciliation of the debts. For that let us simplify the procedure as much as we can. I have separated these two cases, *viz.*, the petition presented by the debtor and petitions presented by the creditors. By deleting one clause, I have substituted another in its place and proposed other consequential amendments.

MR. R. SIVARAMAN NAIR (*Tiruvalla II*) : I second it.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : I am afraid that this again is only a formal amendment. I must therefore stand by the Committee which has passed this Bill. I hope that Mr. Krishna Pillai will excuse me when I say that he has not properly understood the real scheme of this provision. There are two or three points to be mentioned. One is that an application for conciliation may be dismissed at any stage as laid down in clause 20. The other is that the notice referred to in clause 8 is entirely different from that contemplated in clause 7. If these two points are borne in mind or if they are fully appreciated, it will be seen that section 7 is quite necessary. The object of the amendment is to delete section 7 and not to amend it.

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*) : I have suggested that in the next amendment.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : What I am saying is that in the scheme of this Bill the second notice is entirely different from the first. It is not a duplication of the first notice. The application may be either from the debtor or creditor. If it is brought by the debtor, the board must know who all are his creditors. If an application is made by a creditor, the debtor should furnish the names of all his creditors. But if Section 7 is omitted, who is it that will say who the creditors are? One creditor may not know who the other creditors are. It may also be that a debtor may not mention all his creditors in his application. If, in the application of a debtor, he says that he has got ten creditors, notice will be sent to them. But he may have other creditors. Section 7 contemplates that—

> "Notice of the order under sub-section (1) shall be sent by registered Anchal or Post acknowledgment due as well as in such other manner, if so prescribed, to the debtors and creditors".

Compare it with Section 8. It reads :—

> "If after examining the debtor it is, in the opinion of the Board, desirable to effect a conciliation, the Board shall issue, and serve or publish, in the manner prescribed a notice, calling upon every creditor of the debtor to submit a statement of debts owed to such creditor by the debtor".

This is a public notice calling upon *every* creditor to appear before the Board and state his case.

[illegible]

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MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): But in any case notice has been served under Section 7.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): The notice mentioned in Section 7 is sent to creditors mentioned by the debtor. The debtor may not mention all his creditors. If he has 100 creditors, he may mention the names of only 90. He may not mention the names of the other 10 creditors. The board therefore proceeds by publishing a notice calling upon *every* creditor to appear before the board. The second notice is issued only if it is considered desirable to effect a conciliation.

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): The question of desirability of making a conciliation is made only between the debtor and creditor. Could not the same thing be done when the debtor himself presents the application?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Unless a public notice is issued calling upon every creditor to appear, how can that be done?

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): Why not the general body of creditors be invited at the same time?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Because it would be needlessly expensive. Unless it is considered desirable to effect a conciliation, the public notice will not be issued as contemplated in the second provision. We want to save expenditure and not to increase it. If a debtor, whose assests are a lakh of rupees and whose liabilities are but ten thousand rupees, presents a petition, the board after going through the petition may straightaway reject it.

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): Why not the same proceedings be adopted when the debtor himself presents the application?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): That is what is done. Different proceedings are not adopted.

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): The desirability of making a conciliation is determined when the creditor presents a petition only with that single creditor.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Notice will go to both. Section 7 says:—

> (2) " Notice of the order under sub section (1) shall be sent by registered Anchal as well as in such other manner if so prescribed, to the debtor and creditors.
>
> (3) If the application is filed by a creditor, the debtor on his appearance shall furnish the particulars mentioned in sub-section (1) of Section 6, and notice shall be sent to all creditors specified by him ".

All the creditors that are specified by the debtor will be given specific notice. After all these creditors are brought together, then the next procedure will be to issue a public notice. That may be in the Gazette or in newspapers. That is the provision here. That is really intended to reduce the expenditure and not to increase it. I

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[Mr. Kayalam Paramesvaran Pillai.]

that is omitted, the public notice must go even at the initial stage or will never go at all. It *may* be a waste of money to do it at the initial stage. On the other hand, if there are two notices, it will be a saving to the parties. The two notices are entirely different.

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): This amendment is necessary only if the other amendments are accepted. In view of the explanation given by the Law Member, I do not wish to press this amendment.

The amendment, by leave of the House, was withdrawn.

MR. S. CHATTANATHA KARAYALAR (*Shencotta*): Sir, Before I actually move my amendment, I want your permission to make a slight amendment to it, namely, after the word 'application' to insert the words "by a debtor".

DEPUTY PRESIDENT: Yes.

MR. S. CHATTANATHA KARAYALAR (*Shencotta*): I beg to move the following amendment:—

In clause 7, for sub-clause (1), substitute the following:—

"On receipt of an application by a debtor, under Section 4, the Board shall determine the proportion of the liabilities of the debtor to his assets and shall reject the application if it is below the prescribed proportion."

Sir, the object of this amendment is to restrict relief to people who are really in need of relief. It will be admitted on all hands that all agricultural debtors are not necessarily entitled to relief. To make myself clear, I shall just point out the case of an agriculturist who is indebted to the extent of a thousand rupees and whose assets are worth Rs. 10,000. The proportion of his liabilities to his assets is one to ten; and in all possibility he will be able to discharge his debts even without the intervention of the Conciliation Board or any other agency. It is necessary, therefore, to adopt some formula which will exclude such applicants from relief. The agricultural debtors, for the purpose of this amendment, may be divided into three classes, *viz.*, (1) those whose assets are worth much more than their liabilities, (2) those whose assets are more or less equal to their liabilities, and (3) those whose liabilities exceed their assets. It will be admitted by all that those who come under the second and third categories are certainly entitled to relief. But the difficulty arises only in the case of the first class of people, *i. e.*, those whose assets are much more than their liabilities. What I suggest is that some proportion must be fixed between the liabilities and the assets of an agriculturist to make him eligible for relief under this part of the Bill.

DEPUTY PRESIDENT: Does anybody second Mr. Karayalar?

MR. K. PADMANABHAN (*Chirayinkil I*): May I know whether there is any amendment fixing that proportion?

MR. S. CHATTANATHA KARAYALAR (*Shencotta*): I have not fixed any proportion in my amendment. But I have got my own suggestion to make in the matter.

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DEPUTY PRESIDENT : Will you take more time in moving your amendment?

MR. S. CHATTANATHA KARAYALAR (*Shencotta*) : Yes, Sir.

DEPUTY PRESIDENT : Then you will continue it afterwards. We will now proceed to the adjournment motion, as it is 3·30 P. M.

ADJOURNMENT MOTION.

MR. PACODE A. NARAYANA PILLAI (*Vilavankod*) : Sir, the adjournment motion by Mr. S. J. Nair is to be taken up now. I want to know, if there is any time after the motion is over, whether that would be utilised for continuing the discussion on the Bill.

DEPUTY PRESIDENT : You cannot wish to have a ruling on that.

MR. PACODE A. NARAYANA PILLAI (*Vilavankod*) : Not a ruling.

DEPUTY PRESIDENT : Whatever I say on this from the Chair will have the effect of a ruling. That will depend upon the consequence of——I do not want to complete my sentence. Mr. S. J. Nair must thank me for that suggestion.

We shall proceed according to the rules. That is all I mean to say now.

MR. S. J. NAIR (*Nedumangad*) : Sir, I beg leave for the adjournment of the business of the House to discuss a definite matter of urgent public importance, *viz.*, the serious situation that has arisen to the life and living of the agriculturists in the State in view of the enormous sale of agricultural lands by auction even for the arrears of current year's tax.

DEPUTY PRESIDENT : Mr. S. J. Nair, I want to draw your attention to this. Will you make the expressions " the serious situation that has arisen to life and living " and " in view of the recent enormous sale of land " more clear?

MR. S. J. NAIR (*Nedumangad*) : Yes, Sir. I will read my motion once more. The motion is:— " I beg leave for the adjournment of the business of the House to discuss a definite matter of urgent public importance, *viz.*, the serious situation that has arisen to life and living of the agriculturists in the State in view of the enormous sale of agricultural lands by auction even for the arrears of current year's tax ".

Sir, in doing so, I beg to submit for the information of this House that there is acute economic depression with regard to the condition of the agriculturists in the State. There is serious and severe suffering, so far as agriculturists in the State are concerned due to poverty, malaria, dysentery, small-pox and plague (*Laughter*). The heaven-born high officials in the State and high-paid officers in the State——

DEPUTY PRESIDENT : I have warned you against using that expression. All are born in the same way. You are not talking of the Celestial Emperor of China.

MR. S. J. NAIR (*Nedumangad*) : That is only an idiomatic expression.

Sir, so far as high-paid officers are being paid high salaries to enjoy their life, they are safe. But so far as the people are concerned,

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